



**RCA
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 6
AGENDA DATE: Thu 03/24/2005
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SUBJECT: Approve a resolution revising and amending the Music Venue Relocation Program for Downtown Development established on April 15, 1999 under Chapter 380, Texas Local Government Code, and rename the program the Legendary Music Venue Relocation and Redevelopment Program.

AMOUNT & SOURCE OF FUNDING: N/A

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Economic Growth and **DIRECTOR'S**
DEPARTMENT: Redevelopment Services **AUTHORIZATION:** Sue Edwards

FOR MORE INFORMATION CONTACT: Sue Edwards, Director / 974-7820

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

PURCHASING: N/A

MBE / WBE: N/A

This action approves a resolution revising and amending the Music Venue Relocation Program for Downtown Development established on April 15, 1999 under Chapter 380, Texas Local Government Code, and re-name the program the Legendary Music Venue Relocation and Redevelopment Program. The program authorizes making a loan in an amount up to \$750,000 to relocate or redevelop a legendary music venue in the area identified on the attached map.

On April 15, 1999 City Council established the Music Venue Relocation Program for Downtown Development under Chapter 380, Texas Local Government Code. This program funded a loan to Liberty Lunch to assist with the legendary music venue's relocation in the downtown area. This loan was repaid and funds remain available for the Program.

These Program Guideline revisions will enable the Program to not only address relocation of music venues, but also redevelopment of music venues, including venues that experience a catastrophic event that results in destruction of the music venue, and require the applicant to be a well-established, legendary music venue.

The Program is created under Chapter 380, Texas Local Government Code to promote local economic development and to stimulate business and commercial activity in the City, including the creation or retention of jobs for low- and moderate-income persons. To ensure that a public purpose is served by the incentives provided under this Program, the Program guidelines require a job creation and retention agreement be executed to require that during the original Loan term the borrower create or retain employment opportunities for low and moderate income persons residing in the City of Austin. The Program guidelines also require the borrower to enter into a music event compliance agreement that provides that a specific number of music events be offered at the music venue to enable local, emerging



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musicians and event patrons to attend at minimal cost.

Loan terms of the program include: a maximum loan amount of \$750,000, a minimum term of 5 years, a maximum interest rate charge of 3 percent, personal guarantees by the principals, the promissory note, which may be forgivable, will be secured by a deed of trust as well as any other security the City believes is necessary, and the loan may be subordinate to commercial financing. Eligible uses of the loan proceeds include acquisition costs, construction and reconstruction expenses, leasehold improvements, and other reasonable fees and expenses.